

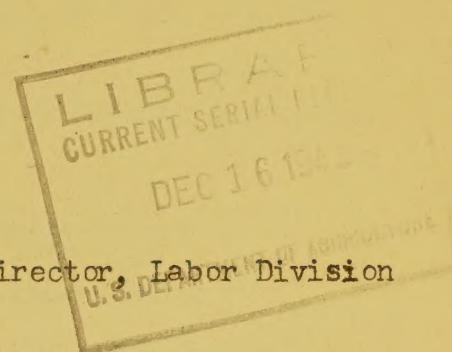
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UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Security Administration

Washington

December 11, 1943

To: Field Personnel
From: N. Gregory Silvermaster, Director, Labor Division
Subject: Newsletter



Attached is the second periodic newsletter. The subjects included in this issue are:

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Attachment

FSA SUPPLEMENTAL APPROPRIATION

The Senate Appropriations Committee is now considering a direct supplemental appropriation for FSA of \$6,500,000 for administration, servicing, etc., and authorization to borrow an additional \$37,500,000 from the RFC for rural rehabilitation funds. This is in addition to the \$20,000,000 appropriated and \$60,000,000 authorized previously. The House has already rejected these requests.

The requested appropriation will enable FSA to maintain its present operating level. Otherwise, FSA will have to reduce its personnel from 10,300 to less than 6,000 by the end of 1943, requiring the closing of half of its county offices.

The administration costs and the number of persons employed in the preceding two fiscal years were:

	Direct	Number of
Fiscal Year	Appropriation	Employees
1941-2	\$60,000,000	17,097
1942-3	41,300,000	14,210

On December 4 the Senate Appropriations Committee reversed the action of the House and recommended that the funds requested for FSA be granted. The bill now awaits the approval of the Senate.

FOOD PRODUCTION

Crop Production in 1943

The indicated 1943 production and the actual 1942 production of important crops are as follows:

CROP	Total Production (in thousands)			1943
				as a per
		Preliminary	1943	cent of
	1942		1943	1942
Corn, all	bu.	3,175,154	3,085,652	95
Wheat, all	bu.	981,327	835,816	86
Oats	bu.	1,358,730	1,148,692	85
Barley	bu.	426,150	330,212	78
Rye	bu.	57,341	33,314	58

(Table continued)

(Continued)

CROP	Total Production (in thousands) :			1943
	: Preliminary : as a per			cent of
	1942	1943	1942	
Rice	bu. :	66,363	:	69,019 : 104
All sorghums				
for grain	bu. :	107,245	:	106,917 : 99
Hay, all tame	ton :	92,245	:	85,872 : 93
Hay, wild	ton :	13,083	:	11,357 : 87
Hay, alfalfa	ton :	36,547	:	32,473 : 89
Beans, dry edible-				
bag		19,608	:	22,160 : 113
Peas, dry field -				
bag		7,160	:	9,458 : 132
Soybeans for				
beans	bu. :	209,559	:	206,017 : 98
Peanuts	lb. :	2,206,935	:	2,681,955 : 121
Potatoes	bu. :	371,150	:	469,092 : 126
Sweet potatoes	bu. :	65,380	:	75,801 : 116
Tobacco	lb. :	1,412,437	:	1,400,873 : 99
Sugar beets	ton :	11,681	:	7,239 : 62
Hops	lb. :	34,896	:	38,516 : 110
Apples	bu. :	128,597	:	88,122 : 69
Peaches	bu. :	66,380	:	42,060 : 63
Pears	bu. :	30,717	:	23,761 : 78

The 1943-44 orange crop will be about 8.5 per cent greater than last year. The grapefruit crop will be about 4 per cent less. Milk production in 1943 continues to be slightly behind 1942.

Vegetables for commercial use and processing will both be about 9 per cent less than 1942.

Crop Acreage Goals for 1944

Acreage goals for 1944 have been set for all principal crops, requiring about 380 million acres as compared with 364 million acres in 1943. These goals were established after a series of state meetings:

U. S. Agricultural Production Goals for 1944
Summary of Crop Acreage Goals

Item	1943	1944	Goal as %
	Indicated	Goal	of 1943
	1,000 Acres	Per cent	
<u>Grain and Hay</u>			
Corn, planted	96,818	100,253	104
Oats, planted	42,654	39,558	93
Barley, planted	17,893	17,372	97
Sorghums (except sirup), planted	17,220	16,740	97
Hay, all tame, harvested	60,489	62,838	104
Wheat, planted	54,159	67,030	124
Rye, acreage for harvest as grain	2,875	2,408	84
Rice, planted	1,538	1,525	99
<u>Oil and Fiber Crops</u>	45,041	48,423	107
Soybeans, harvested for beans	11,480	13,654	119
Flaxseed, planted	6,289	5,895	94
Peanuts, grown alone	5,013	6,158	123
Cotton, (in cultivation July 1)	21,995	22,277	101
Flax, for fiber	15	25	167
Broom corn, planted	249	414	166
<u>Sugar Crops</u>	967	1,284	133
Sugar beets, planted	636	951	150
Sugar cane, for sugar and seed	331	333	105
<u>Vegetables</u>	7,997	8,473	106
Irish potatoes, planted	3,444	3,519	102
Sweet potatoes, planted	923	1,056	114
Fresh vegetables, 23 crops	1,524	1,688	111
Processing vegetables, 11 crops	2,106	2,210	105
<u>Other Crops</u>	1/	10,951	
Dry beans, planted	2,807	3,048	109
Dry peas, planted	741	895	121
Tobacco, planted	1,471	2/ 1,756	119
Winter cover crop seed: Hairy Vetch:	93	80	86
Common Vetch:	32	40	125
Purple Vetch:	21	24	114
Austrian winter peas:	152	67	44
Crimson clover:	54	66	122
Ryegrass, common	60	85	142
Hay crop seeds: Red clover	1/	1,781	
Sweet clover	1/	400	
Timothy	1/	394	
Alfalfa	1/	1,070	
Alsike	1/	217	
Lespedeza	1/	1,028	
<u>Total land devoted to crops 3/</u>	363,694	380,000	104

1/ Not available.

2/ The acreage of tobacco shown for 1944 includes marketing quota allotments for Burley and flue-cured that may not be fully planted.

3/ Excludes estimated acreage duplication where the same crop is used for two purposes, and includes miscellaneous crops not listed in the table.

CIO Resolution on Food Production

The CIO passed the following resolution on food production at its sixth annual convention held in Philadelphia, Pennsylvania, during November:

"WHEREAS, (1) The production of food is as vital to victory as the output of tanks, planes and all other war weapons. The demand for food increases with every day of the war; in fact, the nearer the United Nations come to victory the greater becomes the need for food in almost limitless amounts;

"(2) Organized labor is directly concerned with increasing the supply of food and with its proper distribution as a major problem both of the battlefronts and the home front. Serious food shortages are already being experienced in many war industry areas, and still more serious shortages can be expected, unless steps are taken now to correct the conditions leading to them;

"(3) Our food raising resources must not only supply our own armed forces and our people, and help to supply those of our allies, they must also aid in supplying the countries and territories liberated by the United Nations. Food supplied to the liberated areas will work directly to our benefit by enabling the people of those areas to become our strong and active allies;

"(4) At the present time our food resources are not being used to anything near full capacity. Agriculture is not on a full war footing, with manpower, machinery, fertilizer, land and other resources still unconverted to essential war food production;

"(5) The farmers of the United States are patriotic citizens who want to give everything they can in work and resources to winning the war. Our national food policies must be designed to help the patriotic farmers in making their war work as effective as possible through maximum food production, just as we seek to make the patriotism of all war industry workers fully effective in top production of weapons; now, therefore, be it

"RESOLVED, (1) That planning for 1944 war food crops is an immediate necessity in 1943. As we plan now, so shall we plant in 1944, and so shall we eat in 1945;

"(2) Our national food policy must therefore aim to increase the supply of food for military, civilian and allied needs, and must make it possible for our farmers to achieve this increase at prices which our people can afford to pay.

"(3) The farmers must be given security in increasing their food output, so that extra risks and costs are absorbed without being passed on to the consumers. This must be done through a system of subsidies to the farmers to assure increased income to them for increased production of necessary crops.

"(4) The national food policy must also include crop insurance, adequate credit to safeguard the farmers against postwar foreclosure and a general program to afford the farmers security against postwar chaos such as was experienced after 1918;

"(5) The interests of farmers and workers are identical. Both want above everything else to win complete victory in the quickest possible time. To ensure a national policy that will achieve top production and the most efficient distribution of food, both farmers and workers must be represented on the food policy agencies of the United States government."

Food Subsidy Program, 1943

The estimated cost of the price support program, financed by the Commodity Credit Corporation, is as follows:

(million dollars)			
Program	:	Period covered	:
	:		Estimated loss
Dry beans	:	1943 crop	:
Potatoes	:	"	:
Prunes	:	"	:
Raisins	:	"	:
Canning vegetables	:	"	:
Sugar	:	"	:
Cheddar cheese	:	1943 crops	:
Fluid milk	:	"	:
Oilseeds and products:		"	:
Feed wheat	:	Fiscal year 1944	:
Dairy Feed payments	:	1943	:
Miscellaneous	:	"	:
			8
			20
			7
			7
			30
			50
			25
			3
			60
			70
			60
			8
			350
		Total	

In addition, the cost of the RFC program for reducing the prices of meat and butter will amount to an additional \$450,000,000 a year. It is estimated that \$200,000,000 will be spent between June and December 1943. Finally, a flour subsidy program went into effect December 1. The cost of the program is estimated at \$9,000,000 a month. Thus, on an annual basis the overall war subsidy program, on the present basis, is estimated at \$900,000,000.

FARMER'S SITUATION

Position of Farmers in World War I and World War II

The attached table contrasts the position of farmers in World War I and World War II. It shows the following significant facts:

	Per Cent Increase or Decrease	
	<u>World War I</u>	<u>World War II</u>
Net income of farm operators	121	182
Prices received by farmers	73	71
Prices paid by farmers	46	21
Farm mortgage debt	24	- 5

Only in the case of one item, that of prices received by farmers, has the increase been slightly larger in the period of uncontrolled farm prices during World War I as compared with the present situation of controlled prices. But this difference is more than offset by the other items which show the farmer to be in a much sounder position now than he was then. Not only is his position relatively better with respect to prices he has to pay (21 per cent increase as compared to 46 per cent), but instead of a mounting farm mortgage debt of the last war which eventually ruined him and contributed to creating the problem of the "landless farmer", he is strengthening his position by actually reducing his mortgage indebtedness.

Total farm production in World War I (1914-1917) actually decreased by one per cent, as compared to a 19 per cent increase between 1939-1942 of World War II. For individual items of production the differences between the two periods were:

	<u>I</u>	<u>II</u>
Total farm production	- 1	19
Grain production	8	30
Cotton - cottonseed	-24	12
Meat production	25	28
Dairy production	4	14
Chicken and egg production	0	20

The record of this achievement of our agriculture would not be complete without mentioning that it was made possible in part by the FSA program which not only helped to keep several hundred thousand farmers on land, despite the attraction of "high wages" in war industries, but helped to increase by a substantial amount their contribution to the national larder.

1. Index of net income of farm operators:

	<u>World War I</u>		<u>World War II</u>
1914	100	1939	100
1915	97	1940	105
1916	112	1941	146
1917	191	1942	229
1918	221	1943 ^{1/}	282

1/ Estimated

2. Index of prices received by farmers:

1914	100	1939	100
1915	97	1940	107
1916	117	1941	133
1917	173	1942	171

3. Index of prices paid by farmers:

1914	100	1939	100
1915	106	1940	101
1916	123	1941	106
1917	146	1942	121

4. Index of farm mortgage debt:

1914	100	1939	100
1915	106	1940	98
1916	112	1941	97
1917	124	1942	95

Increases in Prices Received by Farmers, seasonally adjusted.

Since the outbreak of war, prices received by farmers have more than doubled. The increases in prices for individual commodities have, of course, varied. In the table that follows it is shown that

the largest increases took place in fruits. The second largest increases were among the grains, while the increases in dairy and livestock were, relatively, the lowest.

Commodity	Unit	Aug. 15, 1939	Sept. 15, 1943	Percentage change from Aug. 15, 1939
All farm products, index --		88	190	115.9
Wheat	Bu.	\$0.568	\$1.34	135.9
Corn	Bu.	.409	.99	142.1
Oats	Bu.	.276	.743	169.2
Barley	Bu.	.355	.985	177.5
Rye	Bu.	.357	.972	172.3
Rice	Bu.	.601	1.70	182.9
Cotton	Lb.	.0853	.199	133.3
Cottonseed	Ton	17.13	54.29	216.9
Apples	Bu.	.75	2.70	260.0
Oranges, all	Box	.52	2.02	288.5
Lemons, California	Box	.96	1.57	63.5
Grapefruit, all	Box	.25	.84	236.0
Milk, wholesale	Cwt.	1.71	1.89	82.5
Milk, retail	Qt.	1/ .102	1/ .129	26.5
Butter	Lb.	1/ .242	1/ .442	82.6
Butterfat	Lb.	.236	.506	114.4
Chickens	Lb.	.128	.249	94.5
Eggs	Doz.	.180	.365	102.8
Cattle	Cwt.	6.44	12.08	87.6
Calves	Cwt.	8.26	13.12	53.8
Sheep	Cwt.	3.70	6.34	71.4
Lams	Cwt.	7.26	13.03	79.5
Hogs	Cwt.	5.11	12.82	150.9
Potatoes	Bu.	.611	1.38	125.9
Sweetpotatoes	Bu.	.746	2.18	192.2
Tobacco	Lb.	.142	.326	129.6
Peanuts	Lb.	.0326	.0699	114.4
Wool	Lb.	.222	.410	84.7
Flaxseed	Bu.	1.39	2.93	110.8
Beans, dry edible	Cwt.	2.53	5.57	120.2
Hay	Ton	7.01	13.23	88.7

Source: Congressional Record, November 1, 1943.

1/ Unadjusted

Farmer's Share of Retail Value

Of each dollar spent for 58 foods by a typical workingman's family, the farmer has received the following share:^{2/}

	<u>Per Cent</u>
1913-15 average	53
1920	53
1929	47
1935-39 average	42
1940	42
1941	43
1942	53
1943	
Jan.	56
Feb.	57
Mar.	57
Apr.	56
May	55
June	55
July	57
Aug.	58

Since the outbreak of war, the farmer has been receiving a constantly increasing proportion of the worker's food dollar. At the present time this proportion is the highest in over thirty years.

Comparison of Net Income of Farm Operators and the Farm Wage Bill

A comparison of the net income of farm operators (gross income less expenses) and the farm wage bill (total expenditures for farm wage labor) since the outbreak of war in 1939 reveals that the wage bill has lagged behind farm income. The data for the five-year period are:^{1/}

Year	<u>Index Number</u>		
	Wage Bill : Net Income of : Farm Operators		
1939	100	:	100
1940	102	:	105
1941	122	:	146
1942	159	:	229
1943	204 ^{3/}	:	282 ^{3/}

^{1/} U. S. Department of Agriculture

^{2/} Source: U. S. Department of Agriculture, Bureau of Agricultural Economics, The Marketing and Transportation Situation, Vol. 1, No. 9, September, October 1943, p. 21.

^{3/} Estimated.

MANPOWER

Labor, Farmers, Industry Recommend Voluntary Manpower Plan

The Labor-Management Policy Committee of the War Manpower Commission—representing the AFL, CIO, U. S. Chamber of Commerce, National Manufacturers, Farm Bureau, Orange, Farmers Union, and the railway brotherhoods—submitted a program for the solution of the nation's manpower problem through a system of voluntary controls.

"The first elements toward a practical approach to solution of manpower problems were listed in the statement as follows:

"(1) Accurate determination of the facts as to manpower needs and available supply. (2) Decision on the relative urgency for products and services by those in Government responsible for procurement and production. (3) Determination of the relative needs of employers for workers in each area. (4) Removal, by cooperative community and Government action, of the causes for failure to meet and maintain required employment levels in individual establishments. (5) Guiding of the flow of available manpower, by the WMC with labor-management cooperation, to points where it will contribute most to the war effort. (6) Balance volume of production in any area with the ability to supply necessary manpower. (7) All of these actions must be based on the initial conceptions that the agencies of government are to serve the people by informing them what has to be done, when and where it must be done, and that the people of the nation are the ones to determine how it shall be done.

"The declaration conceded that manpower still is being wasted through ineffective usages, through excessively high turnover and through restrictive practices. Large numbers of workers who should do so have not yet transferred to essential employment, it stated. It also declared that vast unused manpower resources, especially of employable women, are still available.

"The organizations subscribing to the declaration said they are convinced that the 'American people will provide greater output under a voluntary system than under one of compulsion and regimentation.' They ascribed existing critical situations to dislocation, mal-distribution of contracts and ineffective use of manpower, rather than to inadequate over-all supply.

"'The solution depends upon leadership, coordinated and understood plans and efficient administration; not upon broadened control and regulation,' the statement emphasized.

"The seven-point program previously summarized was then proposed. In addition, the declaration made specific recommendations to the Government as follows:

"That overlapping agencies and jurisdictional interferences be removed; that over-all plans and related policies be formulated at a single point and in such manner as to permit decentralized administration; that Selective Service withdrawals from a state, county or community be gauged and timed with the ability to effect replacements in activities necessary to war production or to fulfillment of basic civilian needs; that tremendous numbers of personnel now engrossed in Government red tape be transferred to useful work by the elimination of unnecessary forms, reports and investigations; that the War and Navy Departments facilitate the return to war production of those in the armed services who are over age or qualified for only limited service or whose special skills are more urgently needed in essential activities; that state governors initiate publicly programs calculated to stimulate maximum community action in connection with production and manpower problems.

"For their part, the organizations pledged to produce to the limit, to remove basic community causes for turnover, to reduce absenteeism, to eliminate manpower hoarding and restrictive practices, to improve permanent productivity, to train workers in new skills and upgrade them, to lengthen hours of work when necessary, and to enlist every possible source of new labor in shortage areas.

The Cleveland Citizen (AFL)
11-12-43

Utilization of Manpower

The equivalent of 2,000,000 men is lost to war production because of poor utilization of manpower, according to an article in Manpower Review, a publication of the War Manpower Commission.

It is stated that "absenteeism, turnover, production lag, unusual recruitment difficulties, threatened strikes, serious accidents, and . . . unbalanced selective service withdrawals . . . are symptoms of labor misuse and not causes . . ."

The causes fall into four groups: "plant conditions, production procedures, personnel policies, and out-of-plant factors."

FARM LABOR

1944 Appropriation for Farm Labor Program

The House Committee on Appropriations is now considering the President's proposals for the 1944 farm labor program. These proposals include:

1. An appropriation of \$39,500,000 for the calendar year 1944, of which \$4,500,000 is an unobligated balance from this year's appropriation.
2. The amount apportioned to the State Extension Services shall not exceed \$16,000,000 (including amounts previously apportioned).
3. The construction of farm labor supply centers is permitted.
4. Public Law #45 is amended so that the approval of the State Extension Director is required before a worker can be transported out of a state, eliminating the present provision requiring the approval of the county agent.
5. Health and medical services can be provided for farm workers.
6. Workers under the program may be used in packing, canning, freezing, or other processing of perishable fruits and vegetables, subject to approval of the War Food Administrator.

Resolution of the Southern Tenant Farmers Union on Farm Labor

At the 10th Annual Convention of the Southern Tenant Farmers Union, held at Memphis, Tennessee, a resolution dealing with Public Law #45 was adopted, recommending that:

1. The entire farm labor program be placed in the hands of the War Food Administration.
2. Neither foreign workers nor war prisoners be used on the farms until American workers are fully employed.
3. The Pace Amendment in Public Law #45, requiring the approval of the County Agent before workers can be transported out of the county, be eliminated.

4. A committee, representing farmers, farm workers, and the public, be established in order to set standards for farm employment.

Report of National Grange on Farm Labor

The annual address of the Grange Master, Albert S. Goss, at the convention of the National Grange, included the following statement on farm labor:

"The labor situation is improved, although in many areas it is still a serious bottleneck in production. Farm deferments have checked the rapid drain to the military forces, while better living conditions in farm work, particularly for men with families, are gradually working toward more stable labor conditions. Imported labor has worked out well, but the supply has not been adequate to meet the demand. It is suggested that efforts be made to retain the imported labor through the winter by work in the southern pulp forests, or other occupations where labor is short. This would mean less waste of time and expense in travel and assure more prompt filling of seasonal farm labor requirements.

"Basically the farm labor problem has been due to the long hours and low wages paid in comparison with other industries. Most farm workers do not mind the long hours if the pay is adequate, but for many years the low price level for farm crops has made it impossible to compete with industry for the best type of help. Recent price increases have made it possible to increase farm wages, with the result that farm wages have risen faster than those of any other industry except deep water transportation, where bonuses are paid for entering the war zones. We do not mean that farm wages should be as high as industrial wages. Living conditions on the farm are more attractive for most workingmen and this is reflected in the wage scale. One advantage industrial workers have is social security. Farmers generally have not wanted to have farm workers come under social security because of the work involved in connection with it. Exchange labor and other unusual working conditions make social-security accounting difficult, but lack of social security is proving one of the handicaps in holding the highest type labor. In self-protection agriculture should study out practical ways of meeting the difficult problems of making it applicable to farm workers."

Expenditures for Farm Labor in 1943

According to the Office of Labor, War Food Administration, of the \$26,100,000 farm labor appropriation for 1943, \$13,000,000 was spent by the Federal Government for interstate labor and \$13,050,000 was allocated among the states as follows:

State	Allotted: as of Sept. 30: 1943	Actual as of Sept. 30, 1943	Estimated obligations as of Sept. 1, 1943	Total estimated obligations (Oct. 1 thru Dec. 31, 1943)
Alabama	\$135,000	\$64,203	\$50,797	\$115,000
Arizona	80,000	18,557	57,000	75,557
Arkansas	155,000	63,640	59,984	123,624
California	800,000	318,500	390,000	708,500
Colorado	100,000	39,618	24,000	63,618
Connecticut	90,000	38,767	19,155	57,922
Delaware	20,000	15,173	4,100	19,273
Florida	115,000	17,521	52,364	69,885
Georgia	180,000	75,650	60,000	135,650
Idaho	115,000	53,275	46,775	100,000
Illinois	300,000	135,490	64,000	199,490
Indiana	255,000	71,425	35,000	106,425
Iowa	335,000	61,484	30,000	91,484
Kansas	145,000	55,724	6,811	62,535
Kentucky	140,000	40,889	58,600	99,489
Louisiana	115,000	33,660	201,600	235,260
Maine	60,000	27,343	47,347	74,690
Maryland	100,000	42,000	28,000	70,000
Mass.	60,000	18,500	11,500	30,000
Michigan	225,000	87,167	50,000	137,167
Minnesota	200,000	74,500	25,500	100,000
Miss.	135,000	44,348	52,108	96,456
Missouri	230,000	73,961	54,000	127,961
Montana	90,000	35,250	33,031	68,281
Nebraska	140,000	49,375	20,000	69,375
Nevada	30,000	16,500	13,500	30,000
New Jersey	95,000	37,755	16,355	54,110
New Hampshire	33,000	15,329	15,000	30,329
New Mexico	70,000	17,603	38,000	55,603
New York	420,000	251,506	105,494	357,000
N. Carolina	285,000	103,119	42,881	146,000
N. Dakota	115,000	59,599	15,500	75,099
Ohio	295,000	97,154	53,846	151,000
Oklahoma	235,000	69,821	84,564	154,385
Oregon	190,000	110,298	20,000	130,298
Pennsylvania	265,000	100,396	40,000	140,396
Rhode Island	15,000	5,359	3,800	9,159

(continued)

1/ Figures in these columns were furnished by the States

(continued)

State	Allotted Sept. 30 1943	Actual as of Sept. 30, 1943	Estimated obligations as of (Oct. 1 through Dec. 31, 1943)	Total estimated obligations through Dec. 31, 1943
S. Carolina	155,000:	34,041:	34,940:	68,981
S. Dakota	95,000:	37,557:	24,330:	61,887
Tennessee	155,000:	75,776:	43,635:	119,411
Texas	400,000:	142,000:	358,000:	500,000
Utah	55,000:	27,211:	9,000:	36,211
Vermont	40,000:	22,199:	12,500:	34,699
Virginia	245,000:	81,000:	60,000:	141,000
Washington	225,000:	108,217:	16,800:	125,017
W. Virginia	55,000:	30,000:	15,000:	45,000
Wisconsin	190,000:	78,400:	60,000:	138,400
Wyoming	75,000:	33,454:	27,000:	60,454
	:	:	:	:
Subtotal	8,058,000:	3,110,314:	2,591,767:	5,702,081
Available for subsequent payments -	4,992,000:	-----:	-----:	-----
Total available for pay- ments to States -	13,050,000:	3,110,314:	2,591,767:	5,702,081
	:	:	:	:

Source: Congressional Record, November 9, 1943

War Manpower Commission Controls Over Farm Workers

Effective October 15, the following regulations concerning farm labor became operative:

1. Farm workers can transfer from farm job to farm job.
2. Workers on non-farm jobs can transfer to farm jobs.
3. For employment lasting for more than 6 weeks or involving a change in "locality", a farm worker can be hired on a non-farm job (1) if referred by the USES, and (2) after consultation with the Extension Service.

^{1/} Figures in these columns were furnished by the States

4. For employment lasting for less than 6 weeks in the same "locality", a farm worker can transfer to a non-farm job.

U. S. Department of Agriculture,
Extension Service Memorandum,
October 19, 1943.

Utilization of Deferred Farm Workers During Periods of Low Employment

The War Manpower Commission has recommended that all farmers and farm workers in the deferred classes 2-C and 3-C be employed in lumber and other industries during periods of unemployment without losing their deferments. Before such workers can transfer to other employment they must receive the approval of the War Boards, the Selective Service Boards, and the U. S. Employment Service. Approval is given if arrangements are made for the workers to return to farm employment when farm employment becomes active.

Deferments of Farm Workers

In a recent article in Factory Management and Maintenance on the "Manpower Crisis" it was charged that the farms are, at present, a haven of safety from the draft, referring to the Tyding's amendment. The magazine charged that agriculture had enjoyed disproportionate favor, compared with industry, on deferments.

Total agricultural deferments were placed at 1,715,000 as compared with 1,237,000 in vital war industry and 316,000 in essential civilian industry. About 36 per cent of the male workers in manufacturing industry have gone into the armed services since the outbreak of war. This compares with 23 per cent in agriculture. It is estimated that there are 700,000 single men on the farms today.

Wage Stabilization Orders

Under regulations promulgated by the Director of Economic Stabilization, the War Food Administrator has, during the past seven months, issued five orders establishing wage ceilings for farm workers. All orders covered California and Florida.

The first three orders affected workers in asparagus, pickers of canning tomatoes, and grape pickers. The fourth order, dated October 8, affected pickers of American upland cotton in Kern, Kings, Tulare, Fresno, Madera, and Merced Counties. The wage ceiling was set at \$2.25 per hundred pounds.

The latest order affected citrus workers in Florida.

ECONOMIC FACTS

Increases in the Cost of Living in the United States

The cost of living has increased 26 per cent from the outbreak of the war in September 1939 until September 1943. Since January 1941 (the base date for the Little Steel Formula), the cost of living increased 23 per cent. The changes for the different commodity groups for these two periods are:

Percentage Increase			
:	:	:	Base date of Little
:	:	:	Outbreak of war to: Steel Formula to
:	:	:	September 15, 1943: September 15, 1943
All items	:	25.7	22.9
Food	:	47.0	40.5
Clothing	:	32.1	31.6
Rent	:	3.5	2.9
Fuel, electricity, ice	:	10.5	6.8
House furnishings	:	25.5	26.2
Miscellaneous	:	16.5	14.8

Source: U. S. Department of Labor, Bureau of Labor Statistics, Cost of Living and Retail Costs of Food, September 1943, released October 30, 1943.

Increases in the Cost of Living in Great Britain

In Great Britain the cost of living increased about 30 per cent from September 1939 to April 1943. During the same period wage rates had increased 32 per cent.

From April 1941 to April 1943, the British Government adopted a stabilization program, based principally on the application of subsidies on food. During this period there has been a decrease in the food index, so that in April 1943, the food index was 20 per cent above the pre-war level. In the United States, during the same period, the food index rose about 50 per cent.

The cost of food subsidies for the year ending March 31, 1943, is estimated at \$600,000,000, which went for flour, bread, oatmeal, meat, potatoes, milk, etc.

Source: U. S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, October 1943, pp. 816-817.

Increases in Wages, Farm Income and Profits

From 1939 to 1943 (estimated) the following increases are:

Salaries and wages + 126.2 per cent

Net income of farm operators + 216.3 per cent

Net corporate profits + 107.1 per cent

It should be emphasized, however, that during this period the number of farm operators and business enterprises, at a minimum, remained the same. Indications are that their numbers actually decreased. On the other hand, the number of employees increased by about 50 per cent, accounting for a large part of the increases in salaries and wages. Furthermore, both the net income of farm operators and the net corporate profits are after taxes, while salaries and wages are before taxes.

Source: U. S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, October 1943, p. 788.

Federal Trade Commission Reports on Bread Trust

A recent report of the Federal Trade Commission revealed that one-third of all bread is baked by wholesale bakers. Two-thirds of the wholesale bread output is concentrated in the hands of four companies.

The large wholesale bakers, according to the report, used four methods to force independent bakers out of business. These were:

- (1) Multiple deliveries—small bakers could not afford to deliver bread several times during a day and could not compete with the large bakers.
- (2) Furnishing fancy facilities free—in effect, this was a gratuity to the seller.
- (3) Consignment selling—grocers did not have to pay for bread which was not sold.
- (4) Unfair pricing—underselling the small independent baker.

In recent months, the first three practices have been forbidden by different governmental agencies.

As examples of variations in price it was noted that the Ward Baking Company sold bread at 6.8 cents a pound in Chicago and 9 cents a pound in Jacksonville; Continental Baking Company prices varied from 6.4 cents a pound in Salt Lake City to 8 cents a pound in Washington; and General Baking Company prices ranged from 7.02 cents a pound in Boston to 9 cents a pound in Norfolk.

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Income Distribution, 1942

According to a report of the Office of Price Administration nearly two-thirds (61.8 per cent) of the Nation's families received less than one-third (29.7 per cent) of the national income in 1942. This group included families with incomes of less than \$2,500 a year.

These 20.6 million families spent 50 per cent of their income on food, rent, and household fuel. The 12.7 million families, with incomes of \$2,500 a year or more, spent 25 per cent of their income for the same items.

The lower income group spent \$11.6 billion for transportation, doctor, dentist, education, recreation, and all other goods and services. The upper income group spent \$21.4 billion for similar purposes.

Source: Proceedings of the 6th CIO Convention, Second Day, pp. 33-34.

A Typical Steelworker's Budget

How a typical worker spends his \$2,500 a year (on a family of four persons) was revealed before the House Ways and Means Committee recently. Out of an annual income of \$2,575.40, expenditures were as follows:

Food	\$700.00
Clothing	225.00
Rent	336.00
Fuel and Light	205.00
Household Equipment	50.00
Medical and Dental Care	140.00
Medical Supplies	35.00
Tobacco, cigarettes, etc	30.00
Reading Material	19.00
Telephone	20.00

Auto Upkeep	\$60.00
Church	36.00
Red Cross	25.00
Recreation	50.00
Union Dues	12.00
Insurance, including Social Security	122.12
Victory Tax	55.80
Withholding Tax	94.80
Income Tax, 1942 Income	43.43
War Bonds	<u>316.25</u>
Total	\$2,575.40

Source: CIO News

Wage Rate Adjustments Approved by War Labor Board

Of the 7,149 cases for which data are available and in which wage rate adjustments were permitted during September, 1943, by the War Labor Board, over three-fourths of these adjustments were a result of either "substandard" wages or the existence of "gross inequities." Of the 200,277 workers affected by these adjustments, nearly 75 per cent were in these two groups.

More than one-fourth of these workers were earning less than 50 cents an hour, on the average, prior to adjustment. More than three-fourths averaged less than 80 cents an hour.

Source: National War Labor Board,
Seventh Monthly Report,
 November 2, 1943.

Factory Wage Rates

Sixty per cent of factory wage earners received from 50 cents to \$1 an hour in June 1943, according to the Department of Labor. This includes only wage earners in manufacturing industries and excludes workers in non-manufacturing industries where wages are lower. Other facts brought out in this study, in addition to the data in the attached table, show:

1. The higher paid workers were most numerous in war - transportation - equipment industries, rubber, machinery, and printing and publishing.
2. The lowest paid workers - receiving less than 40 cents an hour - were chiefly in lumber and timber, food industries, tobacco and leather.
3. The low-paid group includes many women, are chiefly in the South, and unorganized. These workers are inexperienced, lack legal or trade union protection, immobile, and their efficiency is relatively low.

In conclusion, the Department of Labor reports that "low wages . . . do not necessarily imply low labor cost. The advantage to the employer may be more than offset by low labor productivity. This fact, together with the inefficiency of management found in many of the lowest wage establishments, explains why competing establishments are able to stay in business while paying much higher wages."

Distribution of Workers in Manufacturing Industries
by Hourly Wage Rates, June 1943

	All Workers	War Industries		1/	Non-War Industries	
	Number	Per Cent	Number	Per Cent	Number	Per Cent
Under 40 cents	220,000	2	120,000	1	100,000	2
40 to 49 cents	1,050,000	8	20,000	3	770,000	15
50 to 59 cents	1,640,000	12	440,000	5	1,200,000	23
60 to 69 cents	1,530,000	11	720,000	8	810,000	16
70 to 79 cents	1,700,000	12	1,090,000	13	610,000	12
80 to 89 cents	1,820,000	13	1,290,000	15	530,000	10
90 to 99 cents	1,580,000	11	1,200,000	14	380,000	7
100 to 109 cents	1,230,000	9	950,000	11	280,000	5
110 to 119 cents	960,000	7	790,000	9	170,000	3
120 to 129 cents	930,000	7	810,000	10	120,000	2
130 to 139 cents	470,000	3	390,000	5	80,000	2
140 to 149 cents	320,000	2	250,000	3	70,000	1
150 cents & over	370,000	3	270,000	3	100,000	2
TOTAL	13,820,000	100	8,600,000	100	5,220,000	100

1/ Includes: iron and steel, electrical equipment, machinery other than electrical, war transportation equipment, non-ferrous metals, lumber and timber, chemicals and rubber.

Source: U. S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, October 1943, pp. 639, 641.